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**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

2011

Department of the Treasury
Internal Revenue Service

Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2011, or tax year beginning _____, **2011, and ending** _____

| | | |
|---|---|--|
| Name of foundation HARMON FOUNDATION INC | | A Employer identification number 13-5562236 |
| Number and street (or P.O. box number if mail is not delivered to street address) 30 JERICHO EXECUTIVE PLAZA | Room/suite 200W | B Telephone number (see the instructions) (516) 282-7070 |
| City or town JERICHO | State ZIP code NY 11753-1028 | C If exemption application is pending, check here <input type="checkbox"/> |
| G Check all that apply: <input type="checkbox"/> Initial return, <input type="checkbox"/> Final return, <input type="checkbox"/> Address change | <input type="checkbox"/> Initial Return of a former public charity, <input type="checkbox"/> Amended return, <input type="checkbox"/> Name change | D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation, <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust, <input type="checkbox"/> Other taxable private foundation | | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> |
| I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 493,304. | J Accounting method: <input checked="" type="checkbox"/> Cash, <input type="checkbox"/> Accrual, <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis)</i> | F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |

| | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|------------------------------------|---------------------------|-------------------------|---|
| Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</i> | | | | |
| 1 Contributions, gifts, grants, etc., received (att sch) | 276,000. | | | |
| 2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B | | | | |
| 3 Interest on savings and temporary cash investments | 3. | 3. | | |
| 4 Dividends and interest from securities | 15,387. | 15,387. | | |
| 5a Gross rents | | | | |
| b Net rental income or (loss) | | L-6a Stmt | | |
| 6a Net gain/(loss) from sale of assets not on line 10 | -15,977. | | | |
| b Gross sales price for all assets on line 6a | 146,163. | | | |
| 7 Capital gain net income (from Part IV, line 2) | | 0. | | |
| 8 Net short-term capital gain | | | 0. | |
| 9 Income modifications | | | | |
| 10a Gross sales less returns and allowance | | | | |
| b Less: Cost of goods sold | | | | |
| c Gross profit/(loss) (att sch) | | | | |
| 11 Other income (attach schedule) | | | | |
| 12 Total. Add lines 1 through 11 | 275,413. | 15,390. | 0. | |
| 13 Compensation of officers, directors, trustees, etc | | | | |
| 14 Other employee salaries and wages | | | | |
| 15 Pension plans, employee benefits | | | | |
| 16a Legal fees (attach schedule) L-16a Stmt | 0. | | | 0. |
| b Accounting fees (attach sch) L-16b Stmt | 16,550. | | | 16,550. |
| c Other prof fees (attach sch) L-16c Stmt | 7,611. | 7,611. | | |
| 17 Interest | | | | |
| 18 Taxes (attach schedule)(see instrs) See Line 18 Stmt | 191. | 41. | | |
| 19 Depreciation (attach sch) and depletion | | | | |
| 20 Occupancy | | | | |
| 21 Travel, conferences, and meetings | 18,234. | | | 18,234. |
| 22 Printing and publications | | | | |
| 23 Other expenses (attach schedule) See Line 23 Stmt | 350. | | | 350. |
| 24 Total operating and administrative expenses. Add lines 13 through 23 | 42,936. | 7,652. | | 35,134. |
| 25 Contributions, gifts, grants paid | 275,895. | | | 275,895. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 318,831. | 7,652. | | 311,029. |
| 27 Subtract line 26 from line 12: | | | | |
| a Excess of revenue over expenses and disbursements | -43,418. | | | |
| b Net investment income (if negative, enter 0) | | 7,738. | | |
| c Adjusted net income (if negative, enter 0) | | | 0. | |

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| Part II Balance Sheets | | Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions) | Beginning of year | End of year | |
|-----------------------------|---|---|-------------------|----------------|-----------------------|
| | | | (a) Book Value | (b) Book Value | (c) Fair Market Value |
| ASSETS | 1 | Cash – non-interest-bearing | | | |
| | 2 | Savings and temporary cash investments | 23,015. | 31,853. | 31,853. |
| | 3 | Accounts receivable | | | |
| | | Less allowance for doubtful accounts | | | |
| | 4 | Pledges receivable | | | |
| | | Less allowance for doubtful accounts | | | |
| | 5 | Grants receivable | | | |
| | 6 | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) | | | |
| | 7 | Other notes and loans receivable (attach sch) | | | |
| | | Less allowance for doubtful accounts | | | |
| | 8 | Inventories for sale or use | | | |
| | 9 | Prepaid expenses and deferred charges | | | |
| | 10a | Investments – U S and state government obligations (attach schedule) | | | |
| | b | Investments – corporate stock (attach schedule) L-10b Stmt | 355,909. | 354,829. | 436,011. |
| | c | Investments – corporate bonds (attach schedule) L-10c Stmt | 78,222. | 27,046. | 25,440. |
| | 11 | Investments – land, buildings, and equipment basis | | | |
| | Less accumulated depreciation (attach schedule) | | | | |
| 12 | Investments – mortgage loans | | | | |
| 13 | Investments – other (attach schedule) | | | | |
| 14 | Land, buildings, and equipment basis | | | | |
| | Less accumulated depreciation (attach schedule) | | | | |
| 15 | Other assets (describe) | | | | |
| 16 | Total assets (to be completed by all filers – see the instructions Also, see page 1, item l) | 457,146. | 413,728. | 493,304. | |
| LIABILITIES | 17 | Accounts payable and accrued expenses | | | |
| | 18 | Grants payable | | | |
| | 19 | Deferred revenue | | | |
| | 20 | Loans from officers, directors, trustees, & other disqualified persons | | | |
| | 21 | Mortgages and other notes payable (attach schedule) | | | |
| | 22 | Other liabilities (describe) | | | |
| | 23 | Total liabilities (add lines 17 through 22) | | | |
| NET ASSETS OR FUND BALANCES | Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/> | | | | |
| | 24 | Unrestricted | | | |
| | 25 | Temporarily restricted | | | |
| | 26 | Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/> | | | | |
| | 27 | Capital stock, trust principal, or current funds | 457,146. | 413,728. | |
| | 28 | Paid-in or capital surplus, or land, building, and equipment fund | | | |
| | 29 | Retained earnings, accumulated income, endowment, or other funds | | | |
| 30 | Total net assets or fund balances (see instructions) | 457,146. | 413,728. | | |
| 31 | Total liabilities and net assets/fund balances (see instructions) | 457,146. | 413,728. | | |

Part III Analysis of Changes in Net Assets or Fund Balances

| | | | |
|---|--|---|----------|
| 1 | Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 457,146. |
| 2 | Enter amount from Part I, line 27a | 2 | -43,418. |
| 3 | Other increases not included in line 2 (itemize) | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 413,728. |
| 5 | Decreases not included in line 2 (itemize) | 5 | |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30 | 6 | 413,728. |

Part IV Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company) | (b) How acquired P - Purchase D - Donation | (c) Date acquired (month, day, year) | (d) Date sold (month, day, year) |
|--|--|---|-------------------------------------|
| 1a CLASS ACTION SETTLEMENTS | P | Various | Various |
| b PUBLICLY TRADED SECURITIES | P | Various | Various |
| c | | | |
| d | | | |
| e | | | |

| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|-----------------------|---|--|---|
| a 18. | | 0. | 18. |
| b 146,145. | | 162,140. | -15,995. |
| c | | | |
| d | | | |
| e | | | |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h)) |
|---|-----------------------------------|--|---|
| (i) Fair Market Value as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of column (i) over column (j), if any | |
| a 0. | 0. | 0. | 18. |
| b | | | -15,995. |
| c | | | |
| d | | | |
| e | | | |

| | | |
|--|---|----------|
| 2 Capital gain net income or (net capital loss) [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7] | 2 | -15,977. |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) [If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8] | 3 | -15,977. |

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

| 1 Enter the appropriate amount in each column for each year, see the instructions before making any entries | | | |
|---|---------------------------------------|--|--|
| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (column (b) divided by column (c)) |
| 2010 | 350,800. | 645,757. | 0.543238 |
| 2009 | 353,023. | 603,838. | 0.584632 |
| 2008 | 381,766. | 842,414. | 0.453181 |
| 2007 | 464,725. | 1,143,330. | 0.406466 |
| 2006 | 311,142. | 888,327. | 0.350256 |

| | | |
|--|---|----------|
| 2 Total of line 1, column (d) | 2 | 2.337773 |
| 3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years | 3 | 0.467555 |
| 4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5 | 4 | 644,252. |
| 5 Multiply line 4 by line 3 | 5 | 301,223. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 77. |
| 7 Add lines 5 and 6 | 7 | 301,300. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 311,029. |

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

| | | | |
|-----|---|-----|-----|
| 1 a | Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary – see instrs) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | 1 | 77. |
| c | All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b) | | |
| 2 | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | 2 | 0. |
| 3 | Add lines 1 and 2 | 3 | 77. |
| 4 | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | 4 | 0. |
| 5 | Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- | 5 | 77. |
| 6 | Credits/Payments | | |
| a | 2011 estimated tax pmts and 2010 overpayment credited to 2011 | 6 a | |
| b | Exempt foreign organizations – tax withheld at source | 6 b | |
| c | Tax paid with application for extension of time to file (Form 8868) | 6 c | |
| d | Backup withholding erroneously withheld | 6 d | |
| 7 | Total credits and payments Add lines 6a through 6d | 7 | |
| 8 | Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached | 8 | |
| 9 | Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed | 9 | 77. |
| 10 | Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | 10 | 0. |
| 11 | Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | 11 | |

Part VII-A Statements Regarding Activities

| | Yes | No |
|---|-----|----|
| 1 a | | X |
| b | | X |
| <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i> | | |
| c | | X |
| d | | |
| e | | |
| 2 | | X |
| 3 | | X |
| 4 a | | X |
| 4 b | | |
| 5 | | X |
| 6 | X | |
| 7 | X | |
| 8 a | | |
| 8 b | X | |
| 9 | | X |
| 10 | X | |

Part VII-A Statements Regarding Activities (continued)

| | | | | |
|----|---|----|---|---|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions) | 11 | | X |
| 12 | Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions) | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>N/A</u> | 13 | X | |
| 14 | The books are in care of ▶ <u>BOYCE HUGHES & ASSOC., LLP</u> Telephone no ▶ <u>(516) 282-7070</u> Located at ▶ <u>30 JERICHO EXEC. PLAZA JERICHO NY</u> ZIP + 4 ▶ <u>11753-1028</u> | | | |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 | | | |
| 16 | At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If 'Yes,' enter the name of the foreign country ▶ | 16 | | X |

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

| | | Yes | No |
|-----|--|-----|----|
| 1 a | During the year did the foundation (either directly or indirectly) | | |
| (1) | Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (2) | Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (3) | Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (4) | Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| (5) | Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (6) | Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/> | 1 b | X |
| c | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011? | 1 c | X |
| 2 | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)) | | |
| a | At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__ | | |
| b | Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement – see instructions) | 2 b | |
| c | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20__ , 20__ , 20__ , 20__ | | |
| 3 a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If 'Yes,' did it have excess business holdings in 2011 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011) | 3 b | |
| 4 a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4 a | X |
| b | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011? | 4 b | X |

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? 5b

Organizations relying on a current notice regarding disaster assistance check here ▶

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? 7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|--|---|---|---|---------------------------------------|
| GREGORY N SMITH C/O FDN. JERICHO NY 11753 | CHAIRPERSON 0.50 | 0. | 0. | 0. |
| MARY H PERSSON C/O FDN. JERICHO NY 11753 | PRES. 0.50 | 0. | 0. | 0. |
| MICHAEL B. HOLLYDAY C/O FDN. JERICHO NY 11753 | VICE PRES. 0.50 | 0. | 0. | 0. |
| See information about Officers, Directors, Trustees, Etc | | 0. | 0. | 0. |

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'

| (a) Name and address of each employee paid more than \$50,000 | (b) Title, and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|---|------------------|---|---------------------------------------|
| NONE | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |
| 0 | | | | |

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| NONE | | |
| ----- | | |
| ----- | | |
| ----- | | |
| ----- | | |

Total number of others receiving over \$50,000 for professional services ▶ None

Part IX-A Summary of Direct Charitable Activities

| List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc | Expenses |
|---|----------|
| 1 ----- | |
| 2 ----- | |
| 3 ----- | |
| 4 ----- | |

Part IX-B Summary of Program-Related Investments (see instructions)

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2 | Amount |
|--|--------|
| 1 ----- | |
| 2 ----- | |
| All other program-related investments See instructions | |
| 3 ----- | |
| Total. Add lines 1 through 3 ▶ | |

BAA Form 990-PF (2011)

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

| | | | |
|---|--|----|----------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes | | |
| a | Average monthly fair market value of securities | 1a | 618,507. |
| b | Average of monthly cash balances | 1b | 35,556. |
| c | Fair market value of all other assets (see instructions) | 1c | |
| d | Total (add lines 1a, b, and c) | 1d | 654,063. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e | |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 | |
| 3 | Subtract line 2 from line 1d | 3 | 654,063. |
| 4 | Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions) | 4 | 9,811. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4 | 5 | 644,252. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 32,213. |

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

| | | | |
|----|---|----|---------|
| 1 | Minimum investment return from Part X, line 6 | 1 | 32,213. |
| 2a | Tax on investment income for 2011 from Part VI, line 5 | 2a | 77. |
| b | Income tax for 2011 (This does not include the tax from Part VI) | 2b | |
| c | Add lines 2a and 2b | 2c | 77. |
| 3 | Distributable amount before adjustments Subtract line 2c from line 1 | 3 | 32,136. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 | Add lines 3 and 4 | 5 | 32,136. |
| 6 | Deduction from distributable amount (see instructions) | 6 | |
| 7 | Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1 | 7 | 32,136. |

Part XII Qualifying Distributions (see instructions)

| | | | |
|---|---|----|----------|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes | | |
| a | Expenses, contributions, gifts, etc — total from Part I, column (d), line 26 | 1a | 311,029. |
| b | Program-related investments — total from Part IX-B | 1b | |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes | 2 | |
| 3 | Amounts set aside for specific charitable projects that satisfy the | | |
| a | Suitability test (prior IRS approval required) | 3a | |
| b | Cash distribution test (attach the required schedule) | 3b | |
| 4 | Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4 | 4 | 311,029. |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions) | 5 | 77. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 310,952. |

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

BAA

Form 990-PF (2011)

Part XIII Undistributed Income (see instructions)

| | (a) Corpus | (b) Years prior to 2010 | (c) 2010 | (d) 2011 |
|---|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2011 from Part XI, line 7 | | | | 32,136. |
| 2 Undistributed income, if any, as of the end of 2011. | | | | |
| a Enter amount for 2010 only | | | 0. | |
| b Total for prior years 20____, 20____, 20____ | | | | |
| 3 Excess distributions carryover, if any, to 2011. | | | | |
| a From 2006 | 0. | | | |
| b From 2007 | 0. | | | |
| c From 2008 | 0. | | | |
| d From 2009 | 0. | | | |
| e From 2010 | 0. | | | |
| f Total of lines 3a through e | 0. | | | |
| 4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 311,029. | | | | |
| a Applied to 2010, but not more than line 2a | | | | |
| b Applied to undistributed income of prior years (Election required – see instructions) | | | | |
| c Treated as distributions out of corpus (Election required – see instructions) | | | | |
| d Applied to 2011 distributable amount | | | | 32,136. |
| e Remaining amount distributed out of corpus | 278,893. | | | |
| 5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a)) | | | | |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | 278,893. | | | |
| b Prior years' undistributed income Subtract line 4b from line 2b | | 0. | | |
| c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed | | | | |
| d Subtract line 6c from line 6b Taxable amount – see instructions | | 0. | | |
| e Undistributed income for 2010. Subtract line 4a from line 2a Taxable amount – see instructions | | | 0. | |
| f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012 | | | | 0. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) | 278,893. | | | |
| 8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions) | 0. | | | |
| 9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a | 0. | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2007 | 0. | | | |
| b Excess from 2008 | 0. | | | |
| c Excess from 2009 | 0. | | | |
| d Excess from 2010 | 0. | | | |
| e Excess from 2011 | 0. | | | |

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

| | Tax year | | | | (e) Total |
|--|----------|----------|----------|----------|-----------|
| | (a) 2011 | (b) 2010 | (c) 2009 | (d) 2008 | |
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon | | | | | |
| a 'Assets' alternative test – enter | | | | | |
| (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed | | | | | |
| c 'Support' alternative test – enter | | | | | |
| (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed.

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

| Recipient Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|---|--------------------------------|----------------------------------|----------------------|
| <p><i>a</i> Paid during the year SEE SCHEDULE FROM YEAR END COMPILATION REPORT NY 11753</p> | N/A | PUBLIC | GENERAL | 275,895. |
| Total | | | | ▶ 3a 275,895. |
| <i>b</i> Approved for future payment | | | | |
| Total | | | | ▶ 3b |

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF

OMB No 1545-0047

2011

Name of the organization

HARMON FOUNDATION INC

Employer identification number

13-5562236

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(____) (enter number) organization
 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
 4947(a)(1) nonexempt charitable trust treated as a private foundation
 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc. purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc. purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc. contributions of \$5,000 or more during the year. ▶ \$ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization

Employer identification number

HARMON FOUNDATION INC

13-5562236

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

| (a) Number | (b) Name, address, and ZIP + 4 | (c) Total contributions | (d) Type of contribution |
|---------------|---|-------------------------------|---|
| 1 | HARMON TRUST FDN. C/O J P MORGAN CHASE 245 PARK AVE-15TH FLOOR NEW YORK NY 10167-0001 | \$ 276,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| --- | ----- | \$ ----- | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| --- | ----- | \$ ----- | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| --- | ----- | \$ ----- | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| --- | ----- | \$ ----- | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| --- | ----- | \$ ----- | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |

Name HARMON FOUNDATION INC Employer Identification Number 13-5562236

Asset Information:

Description of Property PUBLICLY TRADED SECURITIES
Date Acquired: Various How Acquired Purchased
Date Sold Various Name of Buyer _____
Sales Price 146,145. Cost or other basis (do not reduce by depreciation) 162,140.
Sales Expense _____ Valuation Method _____
Total Gain (Loss) -15,995. Accumulation Depreciation _____

Description of Property CLASS ACTION SETTLEMENTS
Date Acquired Various How Acquired Purchased
Date Sold Various Name of Buyer _____
Sales Price 18. Cost or other basis (do not reduce by depreciation) 0.
Sales Expense: _____ Valuation Method _____
Total Gain (Loss) 18. Accumulation Depreciation _____

Description of Property _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer _____
Sales Price _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Description of Property _____
Date Acquired _____ How Acquired _____
Date Sold _____ Name of Buyer: _____
Sales Price: _____ Cost or other basis (do not reduce by depreciation) _____
Sales Expense: _____ Valuation Method _____
Total Gain (Loss) _____ Accumulation Depreciation _____

Additional Information

ELECTION UNDER REGULATIONS SEC. 52.4942(a)-3(c)(2)

DURING 2011 \$276,000 WAS RECEIVED FROM HARMON FOUNDATION TRUST,
ALSO A PRIVATE FOUNDATION. THIS AMOUNT HAS BEEN DISBURSED FOR CHARITABLE PURPOSES
BY HARMON FOUNDATION INC AS FOLLOWS:

| | |
|--------------------------------------|-----------------|
| <u>UNDISTRIBUTED FROM 2010</u> | <u>\$ 7,010</u> |
| <u>2011 CONTRIBUTION RECEIVED</u> | <u>276,000</u> |
| <u>EXCESS DISTRIBUTION CARRYOVER</u> | <u>--</u> |

DEDUCT 2011 990-PF ELECTION-DISTRIBUTION

| | |
|---|-----------------|
| <u>FROM CORPUS PART XIII LINE 7</u> | <u>-278,893</u> |
| <u>BALANCE--TO BE DISTRIBUTED FROM CORPUS BY 12/31/12</u> | <u>\$ 4,117</u> |

SIGNED BY A.C.BARNES MCNEVIN III, TREASURER

Form 990-PF, Page 1, Part I, Line 18

Line 18 Stmt

| Taxes | Rev/Exp Book | Net Inv Inc | Adj Net Inc | Charity Disb |
|---------------------------------|--------------|-------------|-------------|--------------|
| FOREIGN TAX ON DIVIDENDS | 41. | 41. | | |
| 990-PF EXCISE TAX | 150. | | | |
| Total | <u>191.</u> | <u>41.</u> | | |

Form 990-PF, Page 1, Part I, Line 23

Line 23 Stmt

| Other expenses. | Rev/Exp Book | Net Inv Inc | Adj Net Inc | Charity Disb |
|---------------------------------|--------------|-------------|-------------|--------------|
| BANK CHARGES | 225. | | | 225. |
| NYS FILING FEE | | | | |
| POSTAGE & STATIONERY | | | | |
| MISCELLANEOUS | | | | |
| PUBLICATION NOTICE | 125. | | | 125. |
| Total | <u>350.</u> | | | <u>350.</u> |

Form 990-PF, Page 6, Part VIII, Line 1

Information about Officers, Directors, Trustees, Etc.

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (if not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|--|--|--|--|--|
| Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> A C BARNES McNEVIN 111 C/O FDN. JERICHO NY 11753 | TREASURER | 2.00 | 0. | 0. |
| Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> JAMES HOLLYDAY JR. C/O FDN JERICHO NY 11753 | SECRETARY | 1.00 | 0. | 0. |
| Total | | <u>0.</u> | <u>0.</u> | <u>0.</u> |

Form 990-PF, Page 1, Part I

Line 16a - Legal Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|---------------------|--------------------------|-----------------------|-----------------------|---------------------|---------------------------------------|
| BURNS, KENNEDY ETAL | LEGAL | 0. | | | |
| Total | | <u>0.</u> | | | |

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-----------------------|--------------------------|-----------------------|-----------------------|---------------------|---------------------------------------|
| BOYCE, HUGHES & ASSOC | ACCOUNTING, TAX | 16,550. | | | 16,550. |
| Total | | <u>16,550.</u> | | | <u>16,550.</u> |

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

| Name of Provider | Type of Service Provided | Amount Paid Per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|------------------|--------------------------|-----------------------|-----------------------|---------------------|---------------------------------------|
| LEGG, MASON | INVESTMENT COUNSEL | 6,186. | 6,186. | | |
| BNY MELLON | CUSTODY FEES | 1,425. | 1,425. | | |
| Total | | <u>7,611.</u> | <u>7,611.</u> | | |

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

| Line 10b - Investments - Corporate Stock: | End of Year | |
|--|-----------------|-------------------|
| | Book Value | Fair Market Value |
| SEE ATTACHED PAGES FROM COMPILATION REPORT | 354,829. | 436,011. |
| Total | <u>354,829.</u> | <u>436,011.</u> |

Form 990-PF, Page 2, Part II, Line 10c

L-10c Stmt

| Line 10c - Investments - Corporate Bonds: | End of Year | |
|---|----------------|-------------------|
| | Book Value | Fair Market Value |
| SEE ATTACHED PAGE FROM COMPILATION REPORT | 27,046. | 25,440. |
| Total | <u>27,046.</u> | <u>25,440.</u> |

Additional Information

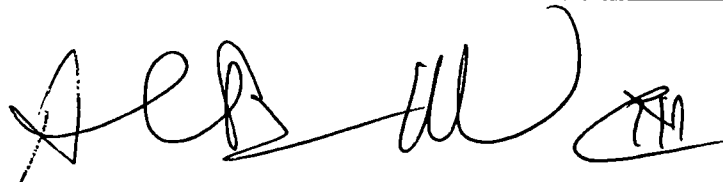
ELECTION UNDER REGULATIONS SEC. 52.4942(a)-3(c)(2)

DURING 2011 \$276,000 WAS RECEIVED FROM HARMON FOUNDATION TRUST,
ALSO A PRIVATE FOUNDATION. THIS AMOUNT HAS BEEN DISBURSED FOR CHARITABLE PURPOSES
BY HARMON FOUNDATION INC AS FOLLOWS:

| | |
|-------------------------------|----------|
| UNDISTRIBUTED FROM 2010 | \$ 7,010 |
| 2011 CONTRIBUTION RECEIVED | 276,000 |
| EXCESS DISTRIBUTION CARRYOVER | -- |

| | |
|--|----------|
| DEDUCT 2011 990-PF ELECTION-DISTRIBUTION | |
| FROM CORPUS PART XIII LINE 7 | -278,893 |
| BALANCE--TO BE DISTRIBUTED FROM CORPUS BY 12/31/12 | \$ 4,117 |

SIGNED BY A.C.BARNES MCNEVIN III, TREASURER



HARMON FOUNDATION, INC.

**Compiled Financial Statements and
Supplementary Information
(Modified Cash Basis)**

For the years ended December 31, 2011 and 2010

HARMON FOUNDATION, INC.

**Financial Statements
and Supplemental Financial Information**

For the years ended December 31, 2011 and 2010

Contents

| | <u>Page #</u> |
|--|---------------|
| Accountant's Compilation Report..... | 2 |
| Financial Statements: | |
| Statements of Financial Position on a Modified Cash Basis..... | 3 |
| Statements of Activities on a Modified Cash Basis..... | 4 |
| Notes to Financial Statements..... | 5-6 |
| Supplemental Schedules: | |
| Investments in Marketable Securities - see Note 2 | 7-8 |
| Profit (loss) on Sales of Securities..... | 9 |
| Statement of Contributions – 2011..... | 10-11 |

Boyce, Hughes & Associates, LLP

Certified Public Accountants

30 JERICO EXECUTIVE PLAZA, SUITE 200W
JERICO, NEW YORK 11753-1028

TELEPHONE
516 282-7070

FACSIMILE
516 282-7075

ACCOUNTANTS' COMPILATION REPORT

To the Board of Trustees of
Harmon Foundation, Inc.

We have compiled the accompanying Statement of Financial Position on a Modified Cash Basis of Harmon Foundation, Inc. as of December 31, 2011 and 2010 and the related Statement of Activities on a Modified Cash Basis for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position and results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Harmon Foundation, Inc.

January 18, 2012

Boyce, Hughes & Associates, LLP

HARMON FOUNDATION, INC.
Statement of Financial Position on a Modified Cash Basis
as at December 31,

| <u>Assets</u> | <u>2011</u> | <u>2010</u> |
|--|-------------------------|-------------------------|
| Cash - Bank of America - checking account | \$ 9,211.27 | \$ 12,387.02 |
| Dreyfus Inst. Reserves Treasury Prime Fund | <u>22,641.55</u> | <u>10,628.68</u> |
| <u>Total cash and current assets</u> | \$ 31,852.82 | \$ 23,015.70 |
| Investments in marketable securities at cost – Pages 7-8 | <u>381,875.56</u> | <u>434,130.28</u> |
| Total assets | \$413,728.38 | \$457,145.98 |
| Liabilities | <u>0</u> | <u>0</u> |
| Net Assets (unrestricted) | <u>\$413,728.38</u> | <u>\$457,145.98</u> |

See Accountants' Compilation Report and Notes to Financial Statements

HARMON FOUNDATION, INC.
Statement of Activities on a Modified Cash Basis
As of December 31,

| | 2011 | 2010 |
|---|----------------------|----------------------|
| Revenues and Gain | | |
| Income distribution from the William E. Harmon Trust Fund (Note 4) | \$ 276,000.00 | \$ 276,000.00 |
| Dividends | 12,113.91 | 9,242.59 |
| Interest on corporate bonds | 3,273.20 | 6,125.49 |
| Profit (loss) on sales of securities (page 9) | (15,994.98) | 7,049.99 |
| Interest on checking account | 2.86 | 2.61 |
| Capital gain dividends / class action | 18.30 | 525.05 |
| Total revenues & gain (loss) | \$ 275,413.29 | \$ 298,945.73 |
| Expenses | | |
| Management & general: | | |
| Investment advisory fees | \$ 6,186.10 | \$ 6,466.64 |
| Custody fees | 1,425.04 | 1,466.20 |
| Foreign tax withheld on dividends | 41.14 | 33.73 |
| Investment expenses (subtotal) | \$ 7,652.28 | \$ 7,966.57 |
| Board meeting expenses | 18,233.61 | 18,039.66 |
| Accounting and tax preparation fee | 16,550.00 | 16,500.00 |
| Legal fees | - | 5,900.00 |
| Office expenses | - | 261.80 |
| Miscellaneous expenses | 125.00 | 225.00 |
| Bank charges | 225.00 | 24.00 |
| Taxes – Form 990PF | 150.00 | 63.00 |
| Total management and general expenses | \$ 42,935.89 | \$ 48,980.03 |
| Charitable contributions paid (page 10) | 275,895.00 | 310,000.00 |
| Total expenditures | \$ 318,830.89 | \$ 358,980.03 |
| Increase (decrease) in unrestricted net assets | \$ (43,417.60) | \$ (60,034.30) |
| NET ASSETS (unrestricted) – January 1 | 457,145.98 | 517,180.28 |
| NET ASSETS (unrestricted) – December 31 | \$ 413,728.38 | \$ 457,145.98 |

See Accountants' Compilation Report and Notes to Financial Statements

HARMON FOUNDATION, INC.
Notes to Financial Statements
December 31, 2011

Note 1: Summary of Significant Accounting Policies

Nature of Operations. The Harmon Foundation is a private foundation that makes contributions to various U.S. not for profit charitable entities. The financial statements are presented on the modified cash basis using the method of accounting which is the basis the Federal government permits a charitable organization to use in filing its Form 990-PF excise tax return. Consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, these financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Note 2: Investments in Marketable Securities

The Harmon Foundation has not adopted Statement of Financial Accounting Board statements relating to accounting for certain investments held by not-for-profit organizations in that the cash basis method of accounting is used as explained above. Investments in marketable securities are carried at cost basis and the market values are presented in the report for information purposes. Consequently, profit or loss is reflected as revenue or loss in the year in which the investments are sold. Annual fluctuations in the market value of the investments are not reflected in the Statements of Activities.

The unrecorded net increase (decrease) in the market value of investments is recapped as follows:

| | <u>2011</u> | <u>2010</u> |
|---------------------------------------|------------------|------------------|
| Market value of investments | \$ 461,452 | \$ 520,111 |
| Cost basis | <u>381,876</u> | <u>434,130</u> |
| <u>Unrealized increase (decrease)</u> | <u>\$ 79,576</u> | <u>\$ 85,981</u> |

HARMON FOUNDATION, INC.
Notes to Financial Statements
December 31, 2011

Note 3: Tax Status

The Foundation is a not for profit corporation which qualifies under Section 501(c)(3) of the Internal Revenue Code as an organization exempt from Federal income tax; however, the Foundation is a "private foundation" under the Tax Reform Act of 1969 and is thus subject to a 2% (or 1%) excise tax on net investment income, and must make minimum distributions as required by the Act.

Note 4: William E. Harmon Trust Fund

The Foundation is the sole beneficiary of the Harmon Foundation, Inc. Trust U/A/D July 21, 1922 created by William E. Harmon. This Trust is effectively treated as and subject to the rules governing private foundations. The Harmon Foundation, Inc. must, not later than the close of the first tax year after the tax year in which it receives contributions from this Trust Fund, distribute an amount equal to the contributions received in the prior tax year and have no remaining undistributed income from the prior tax year.

The Trust Fund is administered and controlled by the J.P. Morgan Chase Bank and the Harmon Foundation, Inc. directors have no incidences of influence or control other than the right to receive income and required principal distributions. The market value of Trust Fund assets at January 31, 2011 was \$5,315,847 and on January 31, 2012 was \$5,000,216. This fund files its' 990PF on a January 31 fiscal year.

Supplementary Information

HARMON FOUNDATION, INC.
Investments in Marketable Securities (Note 2)
Calendar year ended December 31, 2011

| <u>Date Acquired</u> | <u>Principal - Corporate stock</u> | <u>No. of Shares</u> | <u>Cost or Acquisition Value</u> | <u>Market Value</u> |
|----------------------|------------------------------------|----------------------|----------------------------------|---------------------|
| 6/19/2009 | Abbott Laboratories | 125 | \$ 5,947.50 | |
| 3/9/2010 | | 75 | 4,119.63 | 11,246.00 |
| 6/1/2010 | ABB LTD, ADR | 380 | 6,417.86 | 7,155.40 |
| 2/2/2004 | Air Products and Chemicals Inc. | 130 | 6,545.50 | 11,074.70 |
| 10/26/1999 | American Express Co. | 300 | 12,661.65 | 14,151.00 |
| 7/21/2008 | Apple Inc. | 35 | 5,731.29 | |
| 12/18/2008 | | 35 | 3,169.06 | 28,350.00 |
| 10/25/2007 | Broadcom Corp. CL A | 230 | 7,806.18 | 6,752.80 |
| 10/26/1999 | Cisco Systems, Inc. | 700 | 23,909.38 | 12,656.00 |
| 9/23/2004 | Colgate-Palmolive Co. | 140 | 6,798.40 | 12,934.60 |
| 6/30/2011 | Covidien PLC | 130 | 6,902.81 | 5,851.30 |
| 10/7/2009 | Deere & Co. | 90 | 6,898.50 | 6,961.50 |
| 7/21/2004 | Emerson Electric Company | 180 | 5,503.93 | 8,386.20 |
| 7/27/2007 | Express Scripts Inc. CL A | 400 | 9,973.64 | 17,876.00 |
| 4/3/01-2002 | Exxon Mobil Corp. | 170 | 6,679.30 | 14,409.20 |
| 11/1/1982 | General Electric Co. | 595 | 1,129.26 | 10,656.45 |
| 6/30/2011 | Goldman Sachs Group Inc. Pfd. | 1,000 | 24,990.00 | 24,010.00 |
| 3/27/2008 | Google Inc. | 20 | 8,940.80 | 12,918.00 |
| 6/23/2008 | Harbor Fd Int'l | 149.99 | 10,000.00 | |
| 6/29/2011 | | 79.59 | 5,000.00 | 12,041.73 |
| 12/10/2001 | JP Morgan Chase & Co. | 250 | 9,652.50 | 8,312.50 |
| 6/1/2010 | JP Morgan Chase & Co. Pfd. | 900 | 24,492.69 | 24,840.00 |
| 6/19/2009 | Mc Donald's Corp. | 105 | 6,114.59 | |
| 3/9/2010 | | 40 | 2,614.73 | 14,547.85 |
| 1/28/2002 | Microsoft Corp. | 20 | 639.10 | |
| 8/29/2003 | | 400 | 10,560.00 | 10,903.20 |
| 6-17/11-4/09 | Monsanto Co. | 120 | 8,990.40 | 8,408.40 |

See Accountants' Compilation Report

HARMON FOUNDATION, INC.
Investments in Marketable Securities (Note 2)
Calendar year ended December 31, 2011

| <u>Date Acquired</u> | <u>Principal - Corporate stock</u> | <u>No. of Shares</u> | <u>Cost or Acquisition Value</u> | <u>Market Value</u> |
|----------------------|--|----------------------|----------------------------------|----------------------|
| 6/19/2009 | National Oilwell Varco Inc. | 170 | 5,834.40 | 11,558.30 |
| 6/20/2008 | Netapp Inc. | 210 | 4,919.92 | 7,616.70 |
| 6/1/2010 | Northeast Utilities | 310 | 7,913.74 | 11,181.70 |
| 3/9/2010 | Occidental Petroleum Corp. | 100 | 8,206.00 | 9,370.00 |
| 10/12/2000 | Pepsico Inc. | 165 | 7,687.76 | 10,947.75 |
| 6/30/2011 | Phillip Morris International Inc. | 120 | 7,935.43 | 9,417.60 |
| 6/29/2011 | Pimco Total Return Inst. Fund | 2,278.97 | 25,000.00 | |
| 7/7/2011 | | 0.38 | 4.17 | |
| 8/2/2011 | | 5.81 | 64.52 | |
| 9/1/2011 | | 5.50 | 60.60 | |
| 10/3/2011 | | 6.36 | 68.62 | |
| 11/2/2011 | | 6.26 | 68.25 | |
| 12/2/2011 | | 6.88 | 74.17 | |
| 12/29/2011 | | 13.88 | 150.30 | 25,262.02 |
| 8/29/2003 | Procter & Gamble Co. | 170 | 7,395.00 | 11,340.70 |
| 1/27/2007 | Schlumberger Ltd. | 200 | 12,406.00 | 13,662.00 |
| 6/1/2010 | State Street Corp. | 210 | 7,862.11 | 8,465.10 |
| 6/1/2010 | Target Corp. | 145 | 7,879.13 | 7,426.90 |
| 6/30/2011 | Union Pac Corp. | 70 | 7,032.20 | 7,415.80 |
| 4/3/2001 | United Technologies Corp. | 140 | 4,974.20 | 10,232.60 |
| 6/30/2011 | Yum! Brands Inc. | 130 | 7,104.34 | 7,671.30 |
| | <u>Common stock Totals</u> | <u>11,263.63</u> | <u>\$ 354,829.56</u> | <u>\$ 436,011.30</u> |
| | <u>Principal -Corporate Bonds/Bond Funds</u> | <u>Par Value</u> | | |
| 3/9/2010 | Goldman Sachs Group 5.7% 9/1/12 | <u>25,000.00</u> | <u>27,046.00</u> | <u>25,440.25</u> |
| | <u>Corporate Bonds Total</u> | <u>25,000.00</u> | <u>27,046.00</u> | <u>25,440.25</u> |
| | <u>Total Investments</u> | <u>36,263.63</u> | <u>\$ 381,875.56</u> | <u>\$ 461,451.55</u> |

See Accountants' Compilation Report

HARMON FOUNDATION, INC.
Profit (Loss) on Sales of Securities
Calendar year ended December 31, 2011

| <u>Par value or</u> <u>Share</u> | <u>Acquired</u> | <u>Sold -</u> <u>2011</u> | <u>Proceeds</u> | <u>Cost</u> |
|--|-----------------|------------------------------|---------------------|----------------------|
| 390.00 Marvell Tech Group LTD | 3/9/2010 | 19-Apr | 6,034.19 | 8,006.39 |
| 404.24 Artio International Equity II | 1/23/2007 | 29-Jun | 5,000.00 | 6,608.40 |
| \$ 25,000.00 Household Fin 6.375% 10/15/11 | 6/30/2011 | 17-Oct | 25,000.00 | 25,430.25 |
| 120.00 Cliff Nat. Res. Inc. | 7/21/2008 | 7-Nov | 8,292.34 | 8,202.76 |
| 480.00 Corning Inc. | 6/19/2009 | 7-Nov | 6,705.71 | 8,050.25 |
| 290.00 Petroleo Basilerio SA Pertobras | 3/9/2010 | 7-Nov | 7,716.78 | 12,124.74 |
| 1183.83 Artio International Equity II | 1/23/2007 | 15-Nov | 12,217.13 | 18,195.47 |
| 300.00 Vanguard Short Term Bond ETF | 6/1/2010 | 17-Nov | 24,404.53 | 24,125.43 |
| \$ 25,000.00 General Electric Capital Corp. 6% 6/15/12 | 3/3/2010 | 17-Nov | 25,715.25 | 27,050.25 |
| 900.00 US Bancorp Pfd. | 6/1/2010 | 17-Nov | 25,059.47 | 24,346.44 |
| Net capital gain (loss) | | | | <u>(\$15,994.98)</u> |
| <u>Totals</u> | | | <u>\$146,145.40</u> | <u>\$146,145.40</u> |

See Accountant's Compilation Report

HARMON FOUNDATION, INC.**Contributions****2011**

| Name | Amount |
|---|---------------|
| Achilles Track Club Inc. | 4,000.00 |
| Bartow-Pell Landmark Fund | 4,000.00 |
| Birthright Inc. (Atlanta Head Office) | 500.00 |
| Birthright Inc. (Kings East) | 10,000.00 |
| Boy Scouts of America | 1,000.00 |
| Camp Sunshine at Sebago Lake Inc. | 7,500.00 |
| Center for National Indep. In Politics | 4,000.00 |
| Chore Service | 5,000.00 |
| Chewonki Foundation | 5,000.00 |
| Church of the Holy Apostle | 5,700.00 |
| Claflin Hill Music Performance Foundation | 5,000.00 |
| Coldwell Banker Cares | 2,500.00 |
| Community for Creative Work | 4,000.00 |
| Collaborative Medical Research Group | 8,000.00 |
| Corwin - Russell School - Broccoli Hall | 5,000.00 |
| Cultivating Community | 3,500.00 |
| Daily Bread & Food Pantry | 8,200.00 |
| Denver Chill Organization | 2,000.00 |
| DFW Humane Society | 2,000.00 |
| Falls Village Children's Theatre Co. | 5,000.00 |
| Friends of Harmon Field Inc. | 1,295.00 |
| Friends of the Arts | 5,000.00 |
| Giving Opportunities | 1,500.00 |
| Hasboro Children's Hospital | 5,500.00 |
| Healing Co-Op | 2,500.00 |
| Hearing and Service Dogs | 10,000.00 |
| Immigrant Scholarship Fund | 6,000.00 |
| Island Harvest | 5,700.00 |
| Miriam's Kitchen | 8,700.00 |
| National Vitaligo Foundation, Inc. | 5,000.00 |
| New Hope | 2,500.00 |
| New York Presbyterian Medical Center | 1,000.00 |
| Newmarket HighSchool | 3,000.00 |
| North Texas Food Bank | 2,700.00 |
| Northern Broadcast Ministries, Inc. | 10,000.00 |
| Norwalk Emergency Shelter | 3,700.00 |
| Upper Valley Haven | 8,000.00 |
| Our Lady of Good Counsel | 10,000.00 |
| Our Lady of Mount Carmel | 11,000.00 |
| Ottawa Health Institute | 7,500.00 |

See Accountants' Compilation Report

HARMON FOUNDATION, INC.
Contributions
2011

| Name | Amount |
|--|--------------------------|
| PAWS | 2,000.00 |
| Park Hill Bike Shop | 2,000.00 |
| Partners for Health | 4,000.00 |
| Robert Creeley Foundation | 2,000.00 |
| Rockingham Community Action Program Inc. | 2,000.00 |
| Save the Children | 10,000.00 |
| Sisters of Notre Dame de Namur | 5,000.00 |
| Seabury Academy | 7,500.00 |
| St. Jean Baptiste School | 5,000.00 |
| Stay Focused Inc. | 4,000.00 |
| Sunset Youth Services (Incentives for Education) | 4,000.00 |
| Sunset Youth Services (Juvenile Case Management Program) | 5,000.00 |
| Trinity College | 5,000.00 |
| Trinity Foundation Inc. | 1,700.00 |
| VSA Arts Rhoda Island | 5,500.00 |
| Wayside Evening Soup Kitchen | 3,700.00 |
| Youth Alternative Ingraham | <u>5,000.00</u> |
| | |
| Total | <u><u>275,895.00</u></u> |

See Accountants' Compilation Report